AN EVALUATION OF GOVERNMENT EXPENDITURES

THE NEW DEMOCRAT ALTERNATIVE TO CUTTING PEOPLE SERVICES

GOAL: To show how the Provincial Government could have saved Alberta taxpayers millions of dollars this year without reducing services to the public. This is an examination of provincial expenditures only; means of increasing revenues will be presented at a later date.

INTRODUCTION

The provincial government has stated that Alberta faces close to a 3 billion dollar deficit this year, approximately 1265. dollars for every person living in Alberta today. This prediction is based on revenues and expenditures as presented in the 1986/87 budget and revised in the Premier's statement of November 17th, 1986; figures which are unrealistic for our times. In order to obtain the predicted 2.24 billion dollars in net non-renewable resource revenue, for example, the price of oil would have to be an average of $24.00 per barrel this year. We have no hope of attaining this level.

For this reason a thorough examination of revenues, expenditures, modes of delivery, and level of responsibility, among other factors, must be examined. As a start, the New Democrats have done a analysis of the expenditures presented in the 1986/87 Alberta Government Estimates of General Revenue expenditure in an attempt to determine where initial cuts in spending can be made without reducing services.

The Alberta New Democrats, in examining the provincial expenditures as presented by this government, believe millions of dollars could have been saved in the 1986/87 year alone without cutting services to the public. The Tory administration is wasteful, practises pork barrelling at an unprecedented level and is uninterested in setting an example of the manner of restraint which they expect others to practise.

The following is a analysis of where such cuts could be made, using information from the 1986/87 Budget, 1984/85 Public Accounts, Annual Reports, statements from government officials and information from other provinces. As the Official Opposition, we do not have easy access to a variety of information that would have assisted us in this exercise. For this reason we believe that these cuts are only but a few examples of where a tired, old government squanders Alberta's money.

The majority of the comments presented in this paper deal with expenditures which fall under the "administration category" of

the budget. A number of additional cuts could be made through policy changes, some of which are detailed here, while others will be introduced over the next few months by individual New Democrat M.L.A.s.

Before beginning this exercise, lets look briefly at some recent examples of Tory waste and mismanagement.

Between 1971 and 1985, government annual spending increased ten fold, from 1.1 to 10.8 billion dollars. However, over the same period, our Gross Provincial Product increased less than eight fold, from 7.8 to 61.9 billion. In other words, the government expanded far faster than the economy did - even in the boom years.

Alberta has the largest Cabinet, and the most departments, of any provincial government in Canada and we pay our Deputy Ministers the highest salaries.

The Tories spend over $5000./day on hosting expenses, or over two million dollars annually.

In one year (April, 1985 to March, 1986) the government spent 14.5 million dollars on advertising.

Four crown corporations, the Alberta Opportunity Company, AGT, the Alberta Agriculture Development Corporation and Alberta Mortgage and Housing Corporation wrote off over 35 million dollars in 1984/85.

For the ten years between 1973 and 1983, Telephones and Utilites grew 450 times, Transportation 34 times and Consumer and Corporate Affairs 25 times under the "laissez-faire" Tories.

Although 92% of all visitors to Alberta, comprising 85% of all revenues generated through tourism, are Canadians, the Conservative government spends millions maintaining international offices. While Mary LeMessieur lives it up in London, statistics show that the U.K. comprises .48% of all visitors here.

SECTION ONE: GENERAL CUTS

AMALGAMATION OF DEPARTMENTS

Although fourth in population size, Alberta rates first in the number of Cabinet Ministers. An amalgamation of these 25 departments would save money in such areas as general administration, communications, printing and travel. The New Democrats suggest the following departmental structure:

NAME OF NEW DEPARTMENT	DEPARTMENTS COVERED
Education	Advanced Education; Education; Technology and Research
Renewable Resources	Agriculture; Forestry, Lands and Wildlife
Justice	Attorney General; Solicitor General; Consumer Services from Consumer and Corporate Affairs (CCA)
Health	Hospitals and Medical Care; most elements of Community and Occupational Health
Energy	Energy and the Energy Resources Conservation Board from Executive Council
Social Services	Social Services and Disaster Services from Executive Council
Economic Development	Economic Development
Public Works, Telecommunications and Transportation	Transportation & Utilities; Public Works; Telecommunications
Treasury	Treasury; Business Registration and Regulation, Regulation of Securities Markets from CCA
Labour	Labour; Manpower and some elements from Community and Occupational Health
Environment	Environment; Water Resources Advisory Services and Dangerous Goods Control from Executive Council
Municipal Affairs	Municipal Affairs
Tourism and Recreation	Tourism; Recreation and Parks; Financial Assistance to Major Exhibitions and Fairs from Manpower

Culture & Multiculturalism	Culture, with special sections for Multiculturalism, Women and The Arts
Intergovernmental Affairs	FIGA; Native Affairs
Provincial Secretary	Premier's Office; Public Service Employee Relations; Informational Services

Eliminating the nine Ministerial Offices as noted above would decrease expenditures by $1868,432. Administrative savings would also be realized, as indicated in the individual department analysis in Section Two.

SECTION TWO: DEPARTMENTAL CUTS

ADVANCED EDUCATION

Education is an invaluable resource in any society. In general, funding for Universities, Colleges, and other adult education institutions cannot be reduced. However, there are areas, particularly in the administration of this department, where cuts can be made.

1. Changing the funding process for post-secondary institutions, providing guaranteed funding levels on a two or three year basis, would ensure cost savings during the budgetting process. A dual saving would be recognized by provincial coffers; through the direct grants to post-secondary institutions and within the department itself as both spend time annually on planning, preparing and presenting budgets. The money saved by the institutions in this process could be used by them in other areas of education delivery. The department could return their direct expenditure to General Revenue, a savings of at least $250,000. annually.

2. The size and number of committees established and funded through Advanced Education must be examined. The department will spend over $300,000 dollars this year on the "Minister's Advisory Committees" alone, and this is only one of a myrid of boards and committees operating in Advanced Education today. Money could be saved by establishing smaller committees and utilizing 'Regional Representatives' who would not travel around the province, but simply present to the 'central committee' local issues and concerns. This would allow a minimum decrease of $150,000. in the cost of the Minister's Committees.

3. With the amalgamation of the Departments of Education and Advanced Education, the cost of administration should be reduced. In reviewing the Departmental Support Services (Vote 1) element of this department, a 10% reduction in both General

Administration and Planning and Reserach would be attainable, saving $708,102.

4. The Program Development element in Vote 2 increased substantially (170%) this year, growing from 1.5 to 4.2 million. A reduction to 3 million is more appropriate, saving $1238,028.

5. The cost of the "Service Element" of Advanced Education is spiralling out of control. Although the overall increase in funding for Votes 2.2 to 2.7 was 6.0%, the service elements taken together increased a whopping 250%, up to over 15 million dollars from 6 million. Held at 6%, this would provide a $8494,972. saving.

TOTAL SAVINGS ADVANCED EDUCATION **$10,841,102.**

AGRICULTURE

1. Savings in administration are available throughout the department. Starting with Vote 1, the Minister's Office should be returned to last year's level of $250,000. (a decrease of $35,397.); the Associate Minister's Office should be scrapped (Fjordbotten managed just fine without it), saving $192,810. Three other sections in this area; Information Services, Systems Development and Financial Services could be reduced by 15%, saving $1160,243. The ADM - Planning and Economics is not necessary ($171,285.) and expenditures on the Director - Economic Services should be cut substantially to $250,000, a saving of $343,314. Market Analysis and Statistics could be cut 5%, saving $54,524. In Votes 2 and 3, the offices of the ADM - Production and ADM - Marketing could be amalgamated, with a budget of $200,000., saving $123,018. A similar move with the ADMs responsible for Field Services and Research and Resource would save $170,645. Finally, administration costs in Vote 5 need to be examined. Support under 5.2 increased 5% although the Research area decreased 70%. A similar situation occurs in 5.3. Cutbacks in these two areas should be made, of $200,000. and $44,440. respectively.

2. Just recently, the Associate Minister took a trip to Mexico to "negotiate new trade deals". This must have cost a mimimum of $4000.

3. Consideration should be given to reduction of the Beef Cattle and Sheep Production Assistance by $30,000,000. as the emergency production program is not needed at this time.

TOTAL SAVINGS AGRICULTURE **$32,499,576.**

ATTORNEY GENERAL

1. Approximately $1109,687. can be slashed from Vote 1, Departmental Support Services, as follows:
   Former Minister's Office: decrease of $36,096. based on last year's average monthly cost of the office ($20,243.) times two months.
   Deputy Minister's Office reduced to $250,000., saving $78,070.
   Executive Management cost eliminated: $281,170.
   Administrative Services, Personnel and Finance all reduced 5% with the amalgamation with Solicitor General: $283,827.
   Policy and Planning Coordination, which increased 70%, returned to the 1985/86 level, saving $214,780.
   System and Information Services and Internal Audit, both of which increased substantially, decreased by 20% or $215,744.

2. The Support Services area in Vote 2 allows plenty of room for reductions. General administration increased 8% over last year, although the overall vote increased 4%. Holding administration at an even 2 million, saving $150,150. would seem more appropriate. The Chief Provincial Judge's Office, presently costing $672 thousand (9% increase this year alone) should be reduced to a maximum of $600,000., a cut of $71,900. Finally, Law Libraries, up 10% to 2.9 million, could be cut by $164,898., reducing the annual increase to only 4%.

3. Two points are of interest in Vote 5, the Public Trustee and Land Titles Sections. Both operate Edmonton and Calgary offices, one to serve the south, the other the north. Even given that the North office serves Red Deer it is perplexing that such wide berths exist between the two budgets. The Land Titles Office in Edmonton raises further questions, due to its 28% increase over 1985/86. A reduction here to a 0 increase - as Calgary attained, would save $1761,830.

TOTAL SAVINGS ATTORNEY GENERAL **$3258,465.**

COMMUNITY AND OCCUPATIONAL HEALTH

1. With the proposed amalgamation, the Deputy Minister's office in its present form would not be necessary. A budget is established for two Deputy Ministers under the Department of Hospitals and Medical Care, saving $367,740. here. An additional savings of 15% should be possible in Administrative Services (Vote 1) saving $142,415.

2. Looking at Vote 2, we see that Health Services Administration increased 13.2% from 1985/86 to 1986/87. Limiting this increase to 3% would save $339,607. The expenditure on Fixed Assets could also be lowered in light of the merger by at least $150,000.

3. New Democrats recognize the wide-ranging benefits of improving safety measures at work. The wisdom of the Tory

Government must be questioned, however, when $341,950 is spent on Fixed Assets and service delivery budgets are frozen in Vote 3. This expenditure should be reduced $100,000. In addition, it seems stange that although man-year authorizations are cut, salaries increase. A modest reduction of $200,000. seems appropriate.

4. Administrative costs need to be trimmed in Vote 4. Mental Health Administration should be limited to a 3% increase, saving $38,672., and Extended Care Administration maintained at 1985/86 levels, as it benefitted from a 430% increase in 1984/85 (saving $43,571. Fixed Assets could be cut by $200,000.

5. Four areas in Vote 5 should see modest cuts as follows: the Support Services provided to the AADAC Board reduced 5% or $119,485.; Program Support Services and Education Services, limited to 3% increases, to net savings of $65,474. and $99,444. respectively; and the Media Campaign cut by 5%, saving $119,560.

6. The final area to look at is the Impaired Drivers Programme. While this is definitly an essential program, concerns must be raised over the 500% increase from $400,000. to 2.4 million. A severe growth rate such as this is often hard to manage - funds are wasted in an attempt to spend all that has been allocated. A more reasonable growth rate, with guarantees of increased funding over time would seem more efficient. If the growth was reduced to 200% or 1.2 million, the government would save $1187,829.

TOTAL SAVINGS COMMUNITY AND OCCUP. HEALTH $3173,797.

CONSUMER AND CORPORATE AFFAIRS

1. An examination of the Departmental Support Services element in this department (Vote 1) reveals several possibilities for budget reduction. The offices of Executive Management are extremely costly. With the disolution of this department, two 'division heads' may be required, at a maximum cost of $125,000. each, saving $207,690. this fiscal year. Financial Services increased 14.5% this fiscal year, even though the overall budget increased 1.3% year. A reduction here, particularly in light of the amalgamation would provide a minimum savings of 30% or $106,350. Both Administrative Services and Information Services could be cut 15%, or $495,641 and the communications budget could be cut by $15,000.

2. Downsizing the Regional Offices should be considered - why is it that the Peace River office costs twice as much as the Fort McMurray one? Reducing Edmonton and Calgary's budget to one million each, Red Deer's and Peace River's to $300,000. and Lethbridge's to $400,000. would save a substantial $977,210.

3. The two ADM offices in Vote 3 should be combined into one,

with an overall budget of $125,000., saving $93,320.

4. The cost of Security Analysis is excessive, up 7% to almost 1 million. Pooling other resources on the subject, the government could reduce this to $500,000., a $435,710. saving.

TOTAL SAVINGS CONSUMER AND CORPORATE AFFAIRS **$2330,921.**

CULTURE

Funding for the various cultural groups and organizations throughout Alberta is imperative; however the operating costs of this department must be reduced.

1. The Conservative government spends an atrocious amount of money on Departmental Support in all departments. In Culture, a reduction in the Minister's office to $250,000. ($13,615.); the Deputy Minister's to $175,000 ($41,845.); Financial Services to $750,000. ($76,674.); Records Management to $90,000. ($18,456.); and Financial Planning and Management to $500,000. ($161,934) is attainable. The Conservative government also spends $170,684 on 'communications' in this department, part of which operates a weekly press clipping service. How many other departments do so? An amalgamation of such a service would be simple and efficient. The Department of Culture put out 110 press release in 1984/85 , an average of one release every 3.3 days. This is a good example of unnecessary 'communications'. Suggested decrease is 25% or $42,671.

2. In Vote 2.3 - Performing Arts: Administrative Support is increasing 5.1% or an additional $46,695, while the entire section received an overall increase of .8%. This occurs again in Vote 2.8 - Major Cultural Facilities Development where, although the financial assistance by the government in this area has fallen 37%, administrative support has increased 0.1%. More realistic funding would be a 1% increase and 35% decrease respectively. Total saving: $317,230.

TOTAL SAVING CULTURE **$672,425.**

ECONOMIC DEVELOPMENT

1. The Conservative government, in their desire to create plum patronage jobs for their friends, maintain international offices at taxpayers expense. Economic Developemnt supports four of these, in London (England), Hong Kong, Los Angeles and Houston (Texas). This year, the government will spend $188,500. to establish an Economic Development position in New York and $75,000. for a plum job for Mr. Schmidt. These expenditures are unnecessary and an insult to the people of Alberta in these hard economic times. A savings of $863,500. could be realized.

2. Conservatives enjoy travelling, especially at taxpayers expense. The number and style of 'trade missions' is outrageous in the least. Department officials, in 1984/85, made a total of 12 missions to the Latin American and Carribbean sector - an average of one per month!! (must have been a cold winter) The Minister travelled extensively that year - taking five trips to Los Angeles and 11 to London and other parts of Europe. The cost and necessity of these travels demands scrutinity - how many people are going and why; how often are these trips made and why? Possible savings from travel of this type is a minimum of $3000,000.

3. Although Economic Development and Trade now boasts only one Minister, it has maintained two Deputy Ministers. This is unnecessary in light of the fact that there are only 230 employees in Economic Development. Amalgamation of the two Deputy Ministers, limiting their office budget to $225,000 would save $291,600.

4. Looking at the administrative costs in Vote 1 - reductions are possible in Human Resources, Communications and the Financial Programs Division - all experienced a hefty increase in their budgets this year. Decreases to $250,000., $100,000. and $400,000. respectively are called for. This would save $220,342. The necessity of the Futures Compendium needs to be evaluated - forecasting future economic conditions is essential but much of this information is available from other local, national and international sources. Why are we reinventing the wheel? A merger with Strategic Planning, with a budget of 1.5 million would save $729,863. Also in this area we find a budget for a Trade Task Force. Does it need to cost $985,000? The New Democrats think not - perhaps they are considering some international travel? Our recently completed Agricultural Task Force cost approximately $30,000. Reduce this expenditure to $200,000., saving $785,000. Finally, with reduced costs in other areas, administration should be comfortable with a 15% cut or $301,836.

5. Considering that forecasts show a substantial reduction in business investment in Alberta this year, it is uncomprehendable that the government has increased the Industry Development Division in Vote 2 by 30%. A reduction to 3.5 million (a small increase over 1985/86) seems more reasonable. Save: $967,657. A similar situation occurs in Small Business Development. While this serves an important function in any economy, increases should follow demand. Reduce to 4 million, saving $271,947.

6. Economic Development is responsible for the Alberta Opportunity Company - a continual money loser. Although the concept of AOC - to act as a lender of last resort for high risk business in an attempt to diversify the economy - is an excellent one, the actual operations of this monster need to be reviewed. 25% of their budget will go to administration costs this year - a whopping 6 million dollars will be spent on staff and operating

costs alone. Ninety-eight staff manage 23 million dollars in new loans and a 133 million dollar portfolio. The AOC increased their staff size from 9 to 30 this budget year, adding $651,000 to their costs. The effectiveness of this "lender of last resort" is in question. A reduction of their budget to the 1985/86 level would save taxpayers $4505,910.

7. When one recalls the administration problems encountered with the Small Business Term Assistance Program it is amazing to see that the government budgetted close to one million dollars for support costs. You call this efficient management?

TOTAL SAVINGS ECONOMIC DEVELOPMENT $11,937,655.

EDUCATION

With close to a 1.3 billion dollar budget, the department of Education has a significant effect on Alberta's economy. The New Democrats would use the department's purchasing power to the advantage of Albertans by, for example, purchasing as many books as possible from Alberta publishers, particularly those written and/or illustrated by Albertans. This would not only increase economic activity in the province but decrease the cost of educational material due to shipping costs.

1. The administration of the Department of Education is very top heavy. There are four Assistant Deputy Ministers whose offices' consume large budgets. By downsizing these offices, streamlining their functions, and sharing administration costs it would be possible to decrease expenditures in this area as follows:
   Deputy Minister's Office: decrease of $116,700., from $316,700. to $200,000.
   Merge Assistant DM - Finance and Administration and Assistant DM - Planning and Evaluation; limiting their office budget to $150,000, a decrease of $239,300.
   Merge Assistant DM - Programme Development and Assistant DM - Programme Delivery; limiting their office budget to $200,000. a decrease of $330,900.

All of these areas received significant increases in the 1986/87 budget which must be repealed. Fancy offices, excessive hospitality and numerous staff must stop, starting at the top.

2. Changing the education budgetting process, as discussed under Advanced Education, would save this department $150,000.

3. Costs of the administration of this department (Vote 1) are growing at a rate greater than that of the overall budget. Considering the departments merger with Advanced Education and the considerable increases in administration funding this year, cuts could be made in the following areas:

Financial and Administration Services	$326,390.
School Business Admin Services	$120,300.
School Building Services	$272,550.

Personnel Admin Services	$156,300.
Communications	$56,250.
Planning Services	$352,135.

3. The cost of Student Evaluation (Vote 1.2.2), particularly as this is not a student evaluation at all, rather a teacher evaluation, should be reduced. The Profession is best able to assess the competency of its teachers, and could do this in a more appropriate manner. Potential savings: $4684,987.

4. The costs of reveiwing and reworking the curriculum (Vote 3.1.6) has increased significantly in this time of restraint - 150% to $6098,425 from $2441,330. This cost is primarily for the review of the secondary education curriculum. Although supported by the majority of Albertans, consideration should be given to doing the review over time, saving $1500,000. this year.

5. Teacher Certification and Development. This involves the establishment of COATS - the Council on Alberta Teaching Standards. This concept has not been accepted by the teachers who feel that legislation should be changed to allow the ATA to certify (and decertify) Alberta teachers, similar to the practiss of the medical and legal professions, with some limited review by the government. Such a practise would automatically remove $500,000. from the budget plus provide future savings to the department (in lower 'regulating' costs).

TOTAL SAVINGS EDUCATION $8805,812.

ENERGY

1. Under the Departmental Support section of Energy several cuts could be made, starting with the Minister's office. This budget, which presently stands at $424,000. should be reduced to $325,000. to save $99,356. One Deputy Minister should be deleted, and the DM budget limited to $250,000., saving $253,563. Another major cut under Vote 1 falls in the Automated Information Services element, which experienced a 193% increase this fiscal year. The change to a more automated system should occur over time, with this year's increase limited to 2 million, saving $2688,592. The increase in Economic/Financial Services should be limited to 3%, saving $214,360. Finally, there is no apparent justification for the huge increase in Corporate Security Services of 500%. It should be reduced by $84,383.

2. The Assistant Deputy Minister's office in Vote 2 experienced an incredible 265% increase this year. It is questionable whether this office is really necessary, and at the minimum it should be limited to $150,000, saving ($357,057.). The massive increases in Audit and Energy Revenue Policy (ERP) are also in doubt. Is ERP the division that cannot get a more accurate picture of declining oil and gas revenues? These should be

decreased by $746,777. and $200,000. respectively.

3. The Ethane Feedstock Price Equalization Grants were to be phased out in mid 1985. With deregulation and reports that suppliers and refiners have worked out an agreement the additional $10,000,000. requested in the Estimates update should not be required.

4. Finally, the money expended by the Department of Energy on Oil Sands Fund Management needs to be looked at. Previously the grants came out of the Alberta Heritage Trust Fund, with the administrative costs picked up by the department. Now all new project grants come out of General Revenue. If our current royalty income cannot handle the expenditures they should be stopped, especially considering that this program favours foreign interests. The cost of grants is likely about $34,804,120., the remaining 4 million being administration.

TOTAL SAVINGS ENERGY **$49,448,208.**

ENVIRONMENT

1. Several cuts can be made in the administration of this department, particularly under Vote 1. The Minister's Office should be maintained at $200,000. (decrease of $9634.) and the Deputy Minister's Office, presently receiving an outrageous $516,362. (a 15% increase over last year) should receive a substantial cut to $350,000., saving $166,362. The last two elements in this vote, which both received substantial increases this year, should be held at 4%, saving $127,026.

2. There are three Assistant Deputy Ministers in the Environment department, the cost of their offices totalling $656,831. Reducing the budget of the ADM - Pollution Prevention and Control to $225,000. and amalgamating the other two, providing a budget of $200,000. would save $231,831.

3. It is interesting that in Vote 3.2 - Land Conservation and Reclamation, although the Reclamation budget decreases 26.1%, the Land Conservation and Reclamation Council budget increases 9.4%. The Council's budget should have been reduced as well, to 1.5 million, saving $227,918.

4. The Oldman River Dam project, funded under vote 4 - Water Resources Management should be cancelled. This would save the Alberta Taxpayer $40,000,000. this year, with the remaining 6.5 million in this element of the budget used to refurbish the site.

5. There are two Directors Offices in Vote 4, with a combined office budget of over half a million dollars. This is absurd, especially considering they munage only 20 million between them. Their offices should be merged, and provided with a budget of $250,000., saving $251,422.

6. Finally, the budget for the Director's office in Vote 6, which received a staggering 76% increase this year should be reduced to $125,000., saving $82,823.

TOTAL SAVINGS ENVIRONMENT **$41,097,016.**

EXECUTIVE COUNCIL

The Executive council 'sections' should be split up, with certain responsibilites merged with other departments as indicated in Section One, and others forming part of the Provincial Secretary.

1. Vote 1 Executive Council Administration.

A. The cost of the Office of the Premier stands at $588,272., an increase of 11.4% over last year. The Premier maintains at least eight staff in his Edmonton office, as well as a Director and support staff in the Southern Alberta Office in Calgary. This size and expense is unnecessary in our troubled times. The Calgary Office should be closed, and the Premiers personal staff decreased by two, providing a minimum annual savings of $280,000.

B. Administrative Support for Executive Council has increased 6.5% to $1804,008. The cost in this area would be reduced substantially for two reasons; reduced staff due to the various mergers indicated in Section One and the elimination of the Calgary office as identified in A, providing a savings of $1500,000.

C. The cost of the Office of the Lieutenant Governor should be decreased. It had a budget of approximately 76,000 during the 1981/82 fiscal year. Using the Consumer Price Index, it should now stand at 101,000; however it is 116,254. Decrease of $15,000.

D. Project Management, described as that area that "coordinates the implementation of projects assigned by Executive Council" will cost $560,520 this year. The cost of this work, with the regrouping as indicated could be spread between departments, decreasing the need for this area to approximately $100,000. Cost savings: $460,520.

E. Protocol "provides for the reception of dignataries for the Government of Alberta". As the government indicated on November 17th, 1986 costs of this type must be decreased. Some are necessary, many are a waste of taxpayers money. By examining the necessity of these visits and their length, as well as providing cheaper hosting materials a 50% cut in this area would be possible ($296,980.)

F. Regulatory Reform, whose budget increased 200% this year, "coordinates procedures to facilitate greater public

participation in the Government of Alberta regulation - making process." Input by the public into regulations and legislation is a must. However, most departments presently have their own legislation sections which could, with little additional expense, seek input from interested groups and individuals on the proposed changes. This would halt the present duplication of services by this government. Cost savings: $136,763.

2. Vote 2 Northern Development
The functions performed by this section of Executive Council would best be divided between Economic Development and Native Affairs. The amount of money allocated for payment to M.L.A.'s is unnecessary ($14,564.), fixed assets could be decreased through amalgamation and supplies and salaries could be decreased, particularly in light of the large increase they recieved this year (12 and 46.9% respectively). Savings: Fixed Assets $10,000.; Salaries $262,380. and Supplies $200,000., totaling $486,944.

3. Vote 5 Water Resources Advisory Services
This area should be put under the Department of the Environment. Remove payments to M.L.A."s of $24,050. and decrease the Supplies budget by 20% as it will no longer be operating as a "stand alone" department - $19,140.

4. Vote 6 Disaster Services and Dangerous Goods Control
Disaster Services should be put under the Department of Social Services, Dangerous Goods Control under the Department of the Environment. This would enable a decrease in Programme Support costs, due to fewer fixed assets and shared administration costs. A savings of 25% or $489,175. could be realized.

5. Vote 7 Public Service Employee Relations
This area received a 14% increase this year - if held to 4% we would save $38,664.

6. Vote 8 Designation ... Professions and Occupations
Support costs should be lowered as follows: Fixed Assets - $2000.; Supplies by 25% or $137,000 and Salaries by $147,000. (they experienced a 128% increase this year, from $239,700 to $547,000. due to the new Health Services Act) Total savings: $286,000.

7. Vote 9 Public Affairs
At a cost of 13.3 million dollars this is an outrageous waste of tax dollars. Some of the services provided by this area should be provided by individual departments, while others should be done away with altogether. For instance, the Former Minister's Office should have cost only $29,639. (based on two months usage at last year's cost), saving $33,314. Public Affairs provides "consultative advise on advertising" - communications officers in individual departments could establish an interdepartmental communications network for this purpose; it is also responsible for the "planning and

implementation of information programs for program departments" a function best carried out by the departments themselves; and it "reviews and approves hospitality grants" a necessary function which is best done by a "Budget Hawk" or the Premier's Office, with the work substantially reduced due to a much reduced hospitality budget. Another example: "printing and distribution of acts, statutes and publications". Many publications are necessary but certainly not in the form they are presently presented in - glossy, full color pages, high quality paper - all a waste of taxpayers dollars and a perfect example of Tory squandering. Additional functions of the department: "display design" - this should be limited using 'reusable' displays shared between departments and the guide program in the Legislative Building and Government House. Perhaps an evaluation of the effect of fewer hours and peak seasons only should be considered. Salaries are up 12% this year to 7.6 million dollars with a staff allocation of 257 people! In consideration of the above points, transfering responsibility to other areas, eliminating duplications between departments and stopping unnecessary expense (glossy publications, new displays, a duplication in the coordination of departmental advertising) the government could eliminate the majority of work executed by Public Affairs and call this area Information Services, with a budget of 2.4 million for the operation of the R.I.T.E. system and Visitor Services in the Legislature at peak times. This would save $10,912,430.

TOTAL SAVINGS EXECUTIVE COUNCIL **$14,945,666.**

FEDERAL AND INTERGOVERNMENTAL AFFAIRS

1. Consideration must be given to the benefits (or lack thereof) of foreign offices. At present, FIGA funds Alberta Offices in Ottawa, London, Hong Kong, Tokyo, New York, Los Angeles and Houston. These are not necessary; their only reason d'etre is to provide cushy jobs to Tory friends - such as the recent appointment of Mary LeMessurier as Agent General in the U.K. at a 'nice, comfortable' salary of between 59 and $73,000. Closing these offices would eliminate $2771,157. from the budget.

2. Although expenditure on Conferences and Missions is important, and would become more so with the elimination of the Alberta offices, the number of officials attending must be lowered. A 20% cut in this area would save $165,794.

3. Intergovernmental Affairs presently has a budget of $1968,881. This could be decreased by working with other departments which need to be aware of federal and intraprovincial developments. These departments could absorb the majority of this work, forwarding the information compiled to a staff member in FIGA. A lot of the international affairs information could be acquired from the federal government information system. Savings of $1400,000. could be realized.

4. Administration costs in this department are excessive - up 21% to 949,579. In consideration of the above cuts, and therefore lowered administration requirements, a decrease of $449,579. is feasible.

5. A recent example of government waste came out of the First Minsiter's Conference, where Getty unveiled a booklet entitled "Canada's Energy Future", which is full of lots of nice graphs and color, but very little real information. It is estimated that this cost at least $10,000. to produce and distribute.

TOTAL SAVINGS FIGA **$4796,530.**

FORESTRY, LANDS AND WILDLIFE

1. Forestry's Deputy Minister's office experienced a substantial increase this year - up 46%. Although this office is necessary, in light of the merger with Agriculture (into Renewable Resources), the DM's office should be cut to $250,000., saving $94,767. this year.

2. In Vote 1.2, General Services increased 15% this year while Corporate Security increased an unprecedented 500% - limiting these to 4% would save $699,796. The three remaining elements in 1.2 should experience a minimum of 5% cost savings in the amalgamation ($164,893.). Administrative Support Services, Vote 1.3 could also be cut 5% for this reason, saving $337,541.

3. A good example of poor Tory management is provided in Vote 2.3, where administrative support increases 104%, although the remaining elements experience a cummulative increase of 6%. A reduction in the administration budget to allow only a 6% increase over the 1985/86 budget would save $186,482. A similar situation appears in 3.6, where administrative support increases 14.7%, although the other element remains stable. Limiting this to 4% would save $51,918.

4. The Program Support section of Vote 3 should be cut 5% this year, or $1574,044.

5. Administration of foreign owned land (Vote 6), with a present budget of half a million, is responsible for screening "land transactions for quality". There are presently eight land officers in Edmonton and one in Calgary who carry out this function. It is questionable whether nine staff are really required. An cut of 15% would save $67,140.

TOTAL SAVINGS FORESTRY, LANDS & WILDLIFE **$3176,581.**

HOSPITALS AND MEDICAL CARE

1. Substantial savings are possible in this department, starting with Vote 1 at the Deputy Minister's level. Two Deputy Ministers will be required with the restructuring of the departments, one responsible for Preventive Health Care Services, the other for Health Care Delivery. Their budgets should be limited to $250,000. each, providing a saving of $418,031.

2. Also in Vote 1, by holding Professional Services, Health Care Insurance Plan Administration and Finance and Administrative Services to 3% increases, a considerable saving of $959,855. is plausible. Finally, although New Democrats beleive that major policy changes must be made in this area, the 41% increase in Policy Development is excessive. Holding this to a 5% increase would see $430,186. trimmed from the budget.

3. The remaining expenditures in this department are all in the form of grants and, as such, they are clearly not amenable to arbitrary across the board cuts. It is important to note that the rate of growth in this area has not been excessively high since 1982/83. Nonetheless there is the higher costs involved with the P. C. government in the overbuilding of facilities and the ever-increasing number of General Practioners and specialists on fee for service. Between 1980 and 1984, for example, hospital operating costs increased 100% and capital spending on new facilities increased 275%.

Rather than threatening to deinsure certain services, the government should be examining methods of streamlining, technical efficiency and the provision of multi-use care delivery. By changing the focus of Alberta's medical care system in some fundamental ways, millions could be saved. While the New Democrats will be releasing a more detailed study on means of reducing health care costs in the new year, some examples are provided below.

A. Compulsory Seat Belts — 50 million

Studies have shown that compulsory seat belt use reduces deaths, injuries, expenditures for physicians fees and hospitilization time by an average 15%. The Alberta Medical Association estimates this savings to be between 45 and 50 million annually in Alberta.

B. Geriatric Specialists and Programs — 15 million

The Department of Geriatric Medicine estimated that this was the cost saving in 1983 alone with the implementation of their Youville Program. Based on this Youville study, where 26% of patients were expected to return home at time of admission and 71% actually did, there is a tremendous amount of money to be saved in this area, particulaly in light of the much lower costs of homecare.

C. Homecare 180 million

Many Senior citizens need some degree of outside help in maintaining their health and their homes, but do not require the full-time care of a nursing home. With a well funded homecare program the provincial government can keep seniors in their homes and out of lodges and nursing homes for a much longer period of time, at a great financial savings to the Alberta taxpayer. Alberta has the highest percentage of institutionalized elderly and it has been estimated that about 30% of patients in active and auxiliary care could go home if adequate home care was available. Considering that homecare costs about 20% of institutional care, and using the 1986/87 budget figures of over 1 billion dollars spent on active and auxiliary care, a cost savings of 240 million is realizable, however the conservative estimate of 180 million has been used.

D. Community Health Clinics 40 million

The Community Health Centres must form a part of a responsive and accountable health services system. Studies in both the U.S. and Canada have consistently shown a reduction in acute hospital admissions of between 20 and 25% for community health centres over traditional forms of practise. In one study, clinic doctors hospitalized an average of 55% of the patients hospitalized by other doctors. Potential savings to hospital costs are at least 15% (the 40 million used here is a very conservative estimate).

E. Health & Lifestyle Promotion 70 million

There is no argument that much of the disease experienced in our society is directly related to factors such as environment, lifestyle and diet. The role the government plays in preventing illness and controlling health care costs is important. The Alberta government reaps large profits from the sale of alcohol, yet funnels precious little into prevention and health education. One study has shown that one in every five patients admitted to the hospital had an illness of a self-induced nature. The detrimental effects on health due to alcoholism, smoking, drug abuse, poor diet, lack of exercise, and other lifestyle decisions are significant.

F. Controlling Fee For Service 100 million

Payments to Doctors have climbed substantially over the last few years. In 1984/85 19 doctors earned more than $800,000. In 1981/82, with 2909 physicians in the system, the Alberta government paid out 381 million dollars in fees (an average of $131,000. per practioner). In the 1984/85 fiscal year, when 3353 physicians were in the system, the government spent 673 million on fees. This an average of $200,000. per practioner; about $30,000. more than cost of living increases would warrant. That means that the government, in one year, paid out 115 million more than was necessary.

A second means of controlling fee for service is by licensing other medical personnel to perform some of the 'doctors only'

services. Registered Nurses, paramedics, midwives, etc. are qualified to perform many of the routine procedures now performed by doctors. However, they are effectively prevented from doing so by a medical fee schedule that encourages doctors to perform as many of these procedures as possible themselves. The key lies not only in re-structuring the fee system, but also in maximizing the range of treatment options in treatment delivery. This is one area where further study is warranted, although initial reports show a minimal savings of 10 million in the practise of midwifery alone.

G. Ambulance Services 20 million
A good provincial ambulance system would facilitate the consolidation of rural hospitals which could result in a substantial saving. Earlier and better care in the emergency situation would save lives and reduce costs. Alberta remains the only province without ambulance standards, coordinated funding and the recognition of pre-hospital care as an essential aspect of health care. Although this system would have initial start up costs, annually savings from that point forward would be substantial. Savings are estimated at a minimum of 20 million annually, but figures are difficult to develop, as the scenario 'what would of happened if...' is hard to pinpoint.

H. Other areas, such as the Single Point of Entry concept, Volume Driven Funding and Palliative and Respite Care have savings estimates over one hundred million, but more study is required, before realizable savings can be presented.

TOTAL SAVINGS HOSPITALS **$456,808,072.**

LABOUR

1. One has to start off with Speedy Reidy's Around-the-World junket at a minimum cost, including travel and production of a virtually useless mid-term report, less what public hearings around the province would of cost the government, of $500,000.

2. Turning to more mundane matters, there are certain cuts from the administration areas of this department that can also be made. Starting at the top, the expenditure on Executive Management was estimated at $350,000. this year. This should be slashed to $200,000., saving $154,921. Finance and Communication, Systems, Research and Library Services would all benefit from the merger with 'Manpower', providing a minimum of 5% savings in cost or $125,428. The final note in this area lies in Vote 6, the increase in Recruitment/Career Advertising of 40% - which seems strange in light of the personnel cutbacks. This budget could be reduced to at most half a million, saving $551,000.

TOTAL SAVINGS LABOUR **$1331,349.**

MANPOWER (Career Development and Training)

The concept of job creation is invaluable in times of high unemployment. Programs must be run efficiently, and the outcome of such must be closely evaluated. The New Democrats do not beleive that the Conservative Government is obtaining the 'best deal for their money' in this area. Look, for example, at the job creation programs aimed at the public sector. Millions of dollars are spent internally on the PEP and STEP programs. While some job creation in the public sector is acceptable, this practise should only occur in conjunction with long range planning. The government should annually evaluate areas of planned expansion to determine staff requirements, identify areas where retirement of employees or other action leading to a need for replacement has or is about to occur. It would then be able to determine where job creation funds could be used to prepare for these staff changes and not 'waste' the funds on training for no purpose.

In the private sector the Conservative record is also poor. Manpower Minister Rick Orman announced in the Legislature this past summer that, under the Alberta Wage Subsidy programme, 40% of the individuals hired by the private sector were retained, 80% of these on a long term basis. That means that a mere 30% of all the people involved in the programme retained employment upon its completion.

Although no cuts in job creation expenditure are recomended, a complete review of the intent and outcome of these programs is called for.

1. This department maintains a office in London for "Manpower Mobility". Just recently Joe Dutton, a friend of the Minister's, was appointed to the Hong Kong office as Director of Business Immigration. The New Democrats beleive that these costs could and should be borne by the federal government, through their immigration offices. Elimination of these two areas would provide a minimum cost savings of $500,000.

2. With the amalgamation of this department with Labour a number of cost savings could be realized in the Departmental Support area. Reduce the budget of the Deputy Minister's office to $250,000. ($63,025.) and decrease Finance and Administration, Planning and Research, and Training and Employment Services Support by 15%, or $871,913. The Cost of the Minister's Committees has exploded, from $5000. in 1984/85 to $24,000. in 86/87. They should be returned to their 1985/86 level, saving $19,000. Finally, Field Services Support, which grew 42% this year, should be decreased to $850,000., saving $213,587.

3. Under Vote 2.5, Industry Based Training, an increase of 11% is provided for Administrative Support, with no increase (a .4% decrease) in the Training Program that is being administered.

Based on a 4% increase for cost of living, this section could be reduced by $189,031.

4. In Vote 3, all the increases are in administration - at 14.3, 36.8 and 13.5% respectively. Maintaining a 4% cost of living increase would have saved $683,259.

5. The Alberta Government will spend $1826,169. on financial assistance to race tracks this year, through pari mutuel tax collection rebates. This is unnecessary.

TOTAL SAVINGS MANPOWER **$4365,984.**

MUNICIPAL AFFAIRS

1. There are two "Former Minister's Office" budgets under Vote 1, both of which are allocated funds far exceeding the necessary amount using a month by month cost (of $38,055. and $28,102. respectively). Also under Vote 1, the two administrative support areas (1.1.3 and 1.2.3) can be reduced by a total of $171,863. if their increases are limited to 4%. The final cut in this area comes from the Planning Secretariat - 10% or $200,229.

2. Given that the man-year authorizations in Vote 3 have not changed, it is inappropriate that Supplies and Services have increased 13.7% over last year. By eliminating this increase, $127,542. could be 'painlessly' cut from this vote.

3. The amount of money provided for Salaries and Benefits for Votes 4, 5, 6 and 8 bears some analysis. Allowing for a 3.6% increase over last year, and considering two positions have been cut in Vote 4, 29 in 5, 2.5 in 6, and 4 in Vote 8, salaries could be reduced by $996,139.

4. Other reductions in Vote 8 include limiting the increase in Supply and Services to 5% (saving $175,480.) and Fixed Assets to 20% from the proposed 51% (saving $1143,100.).

5. The final suspect expenditure in this department is the amount spent in Vote 10 on Land Assembly and Development (5 million) which "provides development assistance for rental mobile home lots and light industrial and commercial lots in Alberta". Given that the Alberta economy is most certainly on the downswing, and that the province in experiencing substantial out-migration AMHC would be better off providing assistance elsewhere. Cut this area by 50%, to take into consideration projects ongoing from last year. Saving: $2508,000.

TOTAL SAVING MUNICIPAL AFFAIRS **$5388,510.**

PUBLIC WORKS

1. Increases in certain areas of this department are significant - particularly salaries. Although the Department is not experiencing a growth in "man-year authorizations", salary increases total 12.8%. If the salary levels increased with the Cost of Living (approximately 4%) the department would save $6648,112.

2. At the same time, in a year of economic downturn, the budget for the purchase of fixed assets has increased 13.1%. Maintaining the level of expenditure as per 1985/86 would save $3910,749.

3. With the amalgamation with Transportation, the office of the Assistant Deputy Minister could be eliminated, with a cost savings of $122,700.

4. Other areas under Departmental Support should receive cuts. Financial Planning, which experienced a 24.5% increase this year should be reduced to $500,000., saving $291,400. Management Services, which costs the taxpayer 2.2 million to "provide systems, records, library, publications and general services functions" should be reduced by 15% or $335,205. Financial Services which increased 7.7% must be reduced to 1.8 million; saving $393,300. Eliminate Special Projects to save $212,100.

VOTE 3 MANAGEMENT OF PROPERTIES

5. The budget for the ADM office should be reduced to $160,000; saving $53,200. Under Property Planning three cutbacks could be made; one in administrative support of $285,100., and the second under Tenant Improvements of $4584,400. Tenant Improvements received a 26.8% increase this year, which is ridiculous, as costs of rennovations, etc, must be lowered to at least the 1984/85 level of 12 million dollars. The final cut should be made in the area of furnishings, where the government will spend $930,000. this year. It should be removed altogether.

6. Under Vote 3.3, Realty, two decreases are possible. First in the area of administrative support, which increased 25.9% although the overall section grew by only 8.5% a reduction to 1.8 million, would save $614,300. The second cut is in the area of lease costs, which increased 9% this year. The government cannot require more space (they have some available) and the rental market is such that any increases in leases should be minimal (say 3%). This would save $4904,423.

7. Facilities Performance Planning experiences a 57.5% increase, although this element is defined as one that provides"technical resources for the efficeient maintenance and operation of all government owned buildings and specialized technical services for new construction". So why the increase? The government should not be purchasing equipment now, and vote 4 figures show that the

level of construction costs have decreased. A return to 1985/86 figures is called for, saving $1552,760.

8. Property Management has increased 9.5%, but here once again the administrative costs are increasing at a significantly faster pace - 17.7%. They should be curtailed at $750,000., saving $163,300. Consideration should also be given to reductions in the three Physical Plant budgets, particularly in light of their increases this year, which total 8.5 million dollars. Limiting their increases to 4% would save $5123,045.

9. Vote 3.6 provides another example of the horrific increases in administration, where the section increases 1.2% and administration 14.6%! Retaining the 1985/86 levels would save $234,070.

VOTE 4 PLANNING AND IMPLEMENTATION OF CONSTRUCTION PROJECTS

10. Although the overall budget in this element decreases by 3.5%, administration (you guessed it) increases by 20.6%. A number of cost savings are possible in Vote 4.1. The ADM office should be reduced to $175,000.; saving $61,300. The Construction Division, which "provides contract management on capital construction projects" should decrease, particularly in light of the fact that the value of these projects are themselves lower in this fiscal year. Maintaining last years level in this area, which would provide for a cost of living increase since the entire department decreased 3.5% would save $417,322. The Cost Control and Analysis area should consider doing a study on themselves with their 43% increase! Maintaining 1985/86 levels would save $402,900. This practise would also provide savings in Technical Services ($372,600.); Project Management ($1176,478.) and Site Development ($183,400.), which received increases of 21, 32, and 7% respectively this year.

11. Under construction projects, the government will spend $925,000. on the Legislative Grounds this year - down from 1.5 million in 1985/86, but still a substantial figure. One example of the extravagances in this area is the $360,000. spent to rewire the grounds for Christmas lights and a minimum of a few thousand to raise (by crane) a 60' tree at the front of the building. This expenditure should be cut out. The other major expenditure in this Vote falls under Tourism - the construction of the Travel Information Centres in Milk River and Walsh; an expenditure of $1720,000. this year. Both these centres are on main highways that lead into major cities (Lethbridge and Medicine Hat) so appear unnecessary. Although they would provide short term employment in the area, consideration must be given to more appropriate, less costly, job creation. There should also be a review of the office in Field, B.C. - why are we paying for the employment of B.C. residents?

VOTE 5 CENTRAL SERVICES AND ACQUISITION OF SUPPLIES

12. This section is very top heavy - with two Executive Directors and an Assistant Deputy Minister. One Executive

Director should be sufficient for the entire vote, with an office budget of $120,000., saving $229,700.

13. The cost of purchasing has gone up 5.8% this year; it should have increased only to cover rising costs at 4%, saving $41,452. The Coordinator of the Southern Region, who is responsible for providing "expertise and coordination in the acquisition of complex and diversified commodities for the southern areas of the province" experienced an unprecedented increase of 19% this year. The budget should be held at $200,000; saving $44,500.

14. With an overall Vote increase of .4%, it is questionable whether Records Management requires a 26.3% increase. This element should be reduced to the 1985/86 level of $660,000., saving $174,700. An increase in the Surplus Sales Branch of 6.8% is unnecessary, especially when a spending freeze should be placed on all acquisition of furniture and certain office supplies, thereby limiting the need for resale. Limiting this incresse to 4% would save $25,312.

15. Under Government Transportation the necessity and extent of use of the Central Delivery and Courier should be examined in an attempt to scale down the service. Reduced to 2.5 million this year, with possibilities of further reductions would save $281,600.

TOTAL SAVINGS PUBLIC WORKS **$36,404,428.**

RECREATION AND PARKS

1. In consideration of the merger of Recreation and Parks with Tourism, the following reductions are possible in Vote 1. Reduce the Deputy Minister's Office to $200,000., saving $43,780.; decrease the Planning Secretariat to $250,000., saving $109,330.; and remove the Public Communications budget entirely, ($72,685.) as the Tourism budget could pick up the costs. Cutting the remaining four elements in Vote one by 10% would lower the budget by $272,684.

2. An increase of over 300% occurs in Fixed Assets in Vote 2. One expects that with the propsed merger this could be limited to last year's purchases, saving $124,585.

3. Vote 3 sees an increase in Divisional Support (3.2) of 10.5%, much higher than the overall increase of 3%. Providing for a 4% increase in expenditure would save $55,867.

4. The final vote deals with the management of Kananaskis Country, on which the Tories will spend over 13 million this year. It is interesting to note that the Communications budget in this area has increased 55% - I guess all the political fall out over the scandolous way this area has been managed has become

too great. This should be cut to $200,000., saving $318,000. As well, the funding provided to the Alpine Village Association, totalling $670,642. is unnecessary in light of the fact that this private company has already received substantial public support.

TOTAL SAVINGS RECREATION AND PARKS $1667,573.

SOCIAL SERVICES

In the Social Services area, as in all areas providing people services, the emphasis must not be on simple 5 or 10% cuts, but rather on a more approproate redirection and a better utilization of these funds.

1. The office costs of the Minister, her Deputy, Associate Deputy and three Assistant Deputy Ministers is a staggering 5.4 million dollars - up 9% over last year. This type of expenditure is but one example of the top heavy management which exists in Social Services (and all areas of the Tory government). The following cuts should be made: decrease of $121,090. in the Minister's Office (to $350,000.); decrease of $702,642. in the Deputy Minister's Office (to $500,000.) a downgrading of the Associate Minister's position to ADM, with a budget of $300,000. saving $689,735.; a slashing of the ADM - Policy and Program Development's budget to $500,000. (saving $902,437.); and an amalgamation of the two remaining ADMs, providing an office budget of $500,000., a savings of $1205,096.

2. The other cuts to be made in Vote 1 are in Public Communications of 25% or $408,107. (the Tories must be concerned about their image in this area) and in Management Information and Systems Services of 40% or $3776,260. (it received a 43% increase this year).

3. Continuing with the evaluation of administration costs, Vote 2 sees an increase of 206% of program support to income security, although all other income security elements are receiving a minimal, if any, increase. This area, therefore, should only be provided with a cost of living increase of 4%, saving $1901,487.

4. The Alberta Government loses a minimum of $17,000,000. annually on the transfer of federal funds under the Canadian Assistance Plan. This is due to the Tories insistance on funding for profit centres, and their resistance to administering a needs test. This figure is based on the widely held assumption that at least 70% of daycare spaces are private, for profit ones, and that a number of daycare subsidies go to the working poor in for profit centres.

TOTAL SAVINGS SOCIAL SERVICES $26,706,854.

SOLICITOR GENERAL

1. The merger with the Department of the Attorney General should help to reduce some of the expenditures in Vote 1 of this department. The Deputy Minister's budget should be reduced to $200,000., saving $52,600.; while Finance, Personnel and Systems should be able to reduce expenditures by a minimum of 5% or $379,720.

2. The other area where support costs can be lowered is in Vote 4, where 15 million dollars is spent in support of 12 million dollars worth of services. A 10% reduction in this area would provide $1563,590. in savings to the Alberta taxpayer.

3. The final area under the Solicitor General lies within the grant provided to the Alberta Racing Commission (Vote 5). At present, 80% of the tax on horse race betting is returned to the industry. Why is the average Albertan subsidizing the purses of race track owners and betters? It is an interesting coincidence that this 'rebate' has grown over 90% this year - now that we have a racing horse owner at the helm. Minimum possible savings: $3000,000.

TOTAL SAVING SOLICITOR GENERAL **$4995,910.**

TECHNOLOGY, RESEARCH AND TELECOMMUNICATIONS

1. Cuts in this area are substantial due to its merger with Education and Transportation. The Deputy Minister's office is not needed, saving $195,162. The same could be said of Special Projects, saving $1184,905. The other three administrative elements in this vote could be reduced substantially, to 2, .5 and 1 million respectively. This would save $2641,659.

2. The financing of high technology projects (Vote 2) has more than tripled since last year, standing at 27 million dollars. Cuts should be considered on the following projects:

Laser Institure by 10% or $100,000.
Microchip Design and Fabrication by 10% or $239,200.
AMC - Computer Software by 20% or $1862,000.
Aircraft Technology entirely $500,000.

TOTAL SAVINGS T,R & T **$6722,926.**

TOURISM

Tourism is an important component of the Alberta economy, particularly in any attempt to diversify away from our resource base. However, one must examine the effectiveness and efficiency of tax dollars spent on Tourism to ensure that we are getting the most out of our money. The Alberta government's total Tourism budget for the 1986/87 fiscal year is $39,112,000. or $16.48 per capita. This is in sharp contrast to the province of British

Columbia's expenditure on Tourism, at $5.95 per capita. Expenditures on marketing methods to influence out-of-province and Alberta residents to 'Travel Alberta' is necessary, but a number of other costs associated with the Department of Tourism are not.

Vote 1 Program Support

1. The Minister's office in this department experienced a 66.2% increase in 1986/87, from $194,850. to $323,880. The Minister's budget includes a number of major missions, which should be down scaled or cancelled due to our economic situation. According to the Minister a large portion of the increase is "in Supply and Services, primarily in the area of travel". The budget for this office should be decreased by $123,880. The Deputy Minister's office could also be reduced $20,160. to $200,000. The Assistant Deputy Minister's office is not necessary, and eliminating it would save the government $208,400.

3. The Administration Division increased 143.8% in the formation of this new department, skyrocketing from $950,970. to $2318,120. Where is the streamlining and 'bare bones' management? This area includes the administrative support of the Los Angeles office and an increase in two positons for program support. Overall, 25% of the department's costs are administration related - no private company would last long on that record. A large portion of this increase ($862,600.) is for the first phase of a three year program to provide a computerized Travel Information system, something the government should reconsider at this point in time. Removal of the L.A. office as proposed would also lead to lower costs. Possible savings: $1300,000.

4. Under the Development Division, Market Development and Analysis experienced a 98.7% increase from $521,360. to $1035,830. This area is responsible for analyzing expenditures on different advertising campaigns and developing and identifying markets. Savings could be experienced if the government undertook an inter-departmental examination of specific markets, with each department absorbing some of the cost. As well, it is unclear why the government felt a need for such a significant growth in this area - particularly in light of our current economic situation. They continue to spend as if we were in a boom economy. One example is the $100,000. spent on developing a bid to hold the 1990 conference of the Pacific-Asia travel association. This is an excessive amount to prepare one bid. A reduction of 40% would save $414,332.

5. Facility and Product Development experienced a 237.9% increase this year, from $646,005. to $2182,825. Some of this expenditure is attributed to the "redevelopment of a number of high volume travel centres". This should be curtailed, as should the hiring of two additional staff for coordinating purposes (at a cost of $121,350.). A reduction to 1 million would save $1182,825.

6. In the Administrative Support area of the Marketing Division we see a 57.6% increase in costs, making this component total more than one third of the division's expenditures. The majority of this is advertising, approximately 5.7 million. A increase of 10% in this area should have been sufficient, saving $1802,236. At the same time, expenditures on the "In-Alberta campaign" have increased significantly, 374.5%, to 2.6 million dollars. This is an unprecedented growth and, although the bulk of tourism revenue comes from Albertans themselves, should be increased at a more reasonable pace. Decrease to 1 million dollars, saving $1651,230.

TOTAL SAVINGS TOURISM **$6703,063.**

TRANSPORTATION & UTILITIES

VOTE 1 EXECUTIVE SERVICES - TRANSPORTATION

1. The Bureaucracy in the Department of Transportation is massive. There are two Deputy Ministers and four Assistant Deputy Ministers. Budgets could be trimmed through amalgamation and cutbacks as follows:
   Amalgamate the two Deputy Ministers, providing a budget to this office of $300,000. Savings: $270,477.
   Assistant Deputy Minister (ADM) - Engineering; decrease the office budget to $175,000. Savings: $55,265.
   ADM - Regional Transportation; decrease the office budget to $250,000. Savings: $57,884.
   Amalgamate ADM - Administration and the ADM - Urban Transportation and Planning, and provide a budget of $175,000. to this office. Savings: $76,735.
   Remove the "Special Projects" component, saving $174,817.

2. Under Administrative Services - Transportation, the costs of administration is excessive. Computer services, the mailroom and stockroom ("Information Services Branch") cost this government $6289,980 to operate. That is outrageous. Cuts should be made in this area as follows:
   Information Services - decrease to 5 million. $1289,980.
   Decrease Supply and Services to 1 million (it increased 17.8% this year). $302,171.
   Financial Services - decrease to 2.2 million. $486,731.
   Personnel & Mgmt. - decrease to 1.2 million. $252,571.
   Public Communications, which experienced a 13.4% increase this year, should be decreased by $133,921.
   Purchasing Administration - decrease to $220,000. $54,111.

3. Executive and Administrative Services - Utilities. Why are we spending $70,768. on a "Former Minister's Office" when calculations show it should have cost $35,822; saving $34,946.? The Special Projects element should be terminiated, saving $66,809. The two Assistant Deputy Ministers Offices should be amalgamated into one, with a budget of $125,000.; providing a

savings of $85,174. The areas of Natural Gas Auditor Services and Administrative Support could be combined, with a budget limited to one million dollars, to provide a savings of $334,682. Administrative Support and Records Management should both be reduced to a 4% increase over last year, saving $38,817.

4. The layering of management in this department is heavy. This is particularly evident in Vote 2 - Program Support. Through reorganization the government should be able to save 10%, or $3,000,118.

VOTE 5 SPECIALIZED TRANSPORTATION SERVICES

5. The total expenditures on Traffic Safety is 3.5 million at present. It is ironic that in the 1984/85 Annual Report the government states (this area) "lectures on almost every traffic safety related topic ... most popular... seat belt information," and that "two seat belt convincer machines ... travelled throughout the province". Mandatory Seat Belt Legislation would make some of these presentations unnecessary (not all), at a potential cost saving of $300,000.

6. The Motor Transportation Branch has increased substantially over the last few years, with another 5.6% increase this year. Lowering this to 3% would save $144,417.

7. Under Vote 7.2, although the overall area experienced a 1.6% decline, administration increased 2.1%. A 1.6% decrease in this area would save $5422. This occurs again in Vote 7.3 where administration skyrockets (up 16.9%) while the overall increase in the section is .2%. Possible savings of $21,768.

8. The overall cost of grants in Vote 8 were equal to that allocated in 1985/86, yet Administrative Support increased 2.5%. This is not due to a Cost of Living increase in salaries but rather a growth in both fixed assets ($8000.) and supplies and services ($56,549.). Savings: $64,549.

9. Under Vote 10, Administrative support increased a whopping 65%, although the section experienced a minimal increase overall. Does administration need to rise over $400,000. to provide services for the other areas which increased only 2.2 million? This should be reevaluated; with administrative costs increasing at a comparative rate with other costs. $394,206.

TOTAL SAVINGS TRANSPORTATION $7645,571.

TREASURY

It is from this department that the leadership in fiscal restraint must come. They accept budget estimates from other departments, and must work towards ensuring each dollar is well spent. Treasury itself has some areas where cuts could be made, although one must be careful not to jeopardize the accountability

of the government to the people of Alberta.

1. The Deputy Provincial Treasurer's Office, at $944,900., is a staggering amount to spend for pomp and circumstance. The budget for this office should be slashed to $400,000., eliminating $544,900. from expenditures. At the same time, there is no need for a 10% increase in Administrative Support in Vote 1 when those votes experiencing increases receive higher administration budgets. This budget should be cut to 1.8 million, saving $352,200.

2. The Statistical Services Vote (#2) could be decreased by eliminating the additional funds allocated to 'supply and services' in this budget and decreasing the fixed elements component to $20,000. This would provide a savings of $121,900.

3. Corporate Tax Administration under Vote 3 rose 8% this year. It is unclear why any increase in this area could not be limited to 4%, saving $480,428.

4. Vote 4, Financial Management and Planning raises some concerns as well. Why does a financial controller require an office budget of over 19 million dollars? Fiscal restraint should begin here, with a 10% cut of $1923,440 Assuming the costs of compiling and printing of the Provincial Budget comes under Budget and Fiscal Policy, consideration should be given to the amount and quality of these documents, with an eye towards decreasing costs by at least 10% or $293,150.

5. The Finance element in this vote has increased substantially as well - over 8% to 7 million dollars. This contains the ioncrease in bank charges of 177% or $477,500., an excessive amount over one year. Maintaining this increase to $300,000. would save $447,000.

6. Finally under Vote 4 lies the phenomenal increase in expenditures on Government Risk Management - up 17% to 4.5 million dollars. Why? Is the government being forced to purchase more expensive insurance due to their falling credit ratings and increased risk factors? This should be reduced to 4 million, saving $494,300.

TOTAL SAVINGS TREASURY **$4657,318.**

LEGISLATIVE ASSEMBLY

1. Votes 1 and 2 in this budget could be significantly trimmed by holding 'salaries, wages and employee benefits' to a 4% increase. Such a move yields $151,271. and $19,859. respectively. Administrative Support in Vote 1 is up 4.9%, with an overall vote increase of 4.2%; maintaining it at 4% saves $40,923. Vote 2 could also see reductions in Supplies and Services and Fixed Assets. By reducing the increases to 4% and

100% respectively, $478,959. can be chopped.

2. Given that there has been a steady decline in the number of written complaints accepted for investigation by the Office of the Ombudsman since 1982 (down 36% between 1982 and 1985), the rationale for maintaining two offices must be questioned. By closing the Calgary office, a savings of $107,700. would be realized.

TOTAL SAVING LEGISLATIVE ASSEMBLY $798,712.

INITIAL SAVINGS PROPOSED: $751,180,024.

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ADMINISTRATIVE STRUCTURE COMPARISON FOR CANADIAN PROVINCIAL LEGISLATURES (1986)

PROVINCE	MINISTERS	DEPARTMENTS
Alberta	25	24
Quebec	24	21
Ontario	23	23
Saskatchewan	22	21
Manitoba	19	22
Newfoundland	19	19
Nova Scotia	18	18
British Columbia*	16	16
New Bruswick**	15	16
Prince Edward Island	9	9

* these figures reflect the post-election position in British Columbia

** these figures were compiled prior to the October 4,1985 cabinet shuffle

Deputy Minister's Compensation

Alberta	58,900	-	97,900
British Columbia	up to		72,000
Saskatchewan(*)	83,336	-	68,000
Manitoba	59,632	-	80,201
Ontario	77,900	-	91,500
Quebec	59,984	-	77,938
Nova Scotia	70,693	-	78,547
New Brunswick	60,185	-	71,925
Prince Edward Island	56,000	-	70,000
Newfoundland	51,492	-	86,271

(*) Information from 1984-85 Saskatchewan Public Accounts.

Deputy Minister Compensation Ranges

Alta.	97,900 - 74,000	87,300 - 66,400	80,000 - 60,800	73,700 - 58,900
B.C.	up to 72,000			
Sask.(*)	83,336 - 68,000			
Man.	82,210 - 66,479	74,309 - 61,883	71,585 - 59,632	
Ont.	91,500 - 77,900			
Que.	77,938 - 59,984			
N.S.	78,547	74,620	70,643	
N.B.	71,925 - 68,011	68,011 - 63,994	63,994 - 60,185	
P.E.I.	70,000 - 56,000			
NFLD.	86,271 - 51,492			

(*) Information from 1984-85 Saskatchewan Public Accounts.

GOVERNMENT STRUCTURE BEFORE AND AFTER THE AMALGAMATION OF DEPARTMENTS AND COST SAVINGS

BEFORE			AFTER		
DEPARTMENT	M/DM/ADM	COST($)	DEPARTMENT	M/DM/ADM	COST ($)
ADVAN ED	1/0/0	237,872.			
AGRICUL	2/1/5	1335,049.	RENEW RES	1/1/2	650,000.
ATT. GEN	0/1/0	328,070.	JUSTICE	1/2/0	653,000.
C & O H	1/1/0	555,987.			
C & C A	1/0/1	305,910.			
CULTURE	1/1/0	480,460.	CULTURE	1/1/0	425,000.
E D & T	1/2/0	796,500.	ECON DEV	1/1/0	504,900.
EDUC	1/1/4	1553,700.	EDUC	1/1/2	550,000.
ENERGY	1/2/1	1414,976.	ENERGY	1/1/1	725,000.
ENVIRN	1/1/3	1382,827.	ENVIR	1/1/2	975,000.
EXEC CL	1/0/0	588,272.	PROV SEC	1/0/0	308,272.
FIGA	1/0/0	248,967.	INTGM AF	1/0/0	248,967.
F,L & W	1/1/0	531,738.			
H & MD C	1/1/0	1124,939.	HEALTH	1/2/0	760,908.
LABOUR	1/0/0	172,705.	LABOUR	1/0/0	172,705.
MANPOWER	1/1/0	506,758.			
MUNIC AF	1/1/0	374,845.	MUNIC AF	1/1/0	374,845.
PUB WORK	1/1/4	1262,900.	PB WKS T&T	1/2/5	1464,000.
REC & PK	1/1/0	446,571.			
SOC SER	1/2/3	5771,000.	SOC SERV	1/1/3	2150,000.
SOL GEN	1/1/0	255,600.			
T, R & T	1/1/0	599,010.			
TOURISM	1/1/1	752,440.	TOUR & REC	1/2/0	600,000.
TR & UT	1/2/6	1754,022.			
TREASURY	1/1/0	1174,900.	TREASURY	1/1/0	630,000.
TOTAL		**23,367,746.**			**11,192,597.**

NOTES:

1. M/DM/ADM represent the Minister, Deputy Minister and Associate Deputy Minister.

2. The Associate Minister of Agriculture has been included as a Minister while the Associate DM in Social Services as a Deputy Minister.

3. A number of other cost savings are made at the 'Executive' and/or 'Director' level - these are not highlighted here but are found within the paper.

OFFICIAL OPPOSITION
NEWS
The New Democrats

Room 205, Legislature Building, Edmonton, Alberta, T5K 2B6 (403) 427-2236

NEW DEMOCRATS ANNOUNCE PROPOSALS TO CURB GOVERNMENT SPENDING

Ray Martin, MLA, Leader of the Official Opposition
10:00 am, Thursday, November 27, 1986

CALGARY

"Effective management and efficient service delivery are key to our alternatives," said Ray Martin, Leader of the Official Opposition today in Calgary.

"The Provincial Government projects that Alberta will face close to a $3 billion deficit this year. Assuming that that figure is correct, it represents a debt on each and every person in Alberta of $1265.00.

"Chances are though that the figure of $3 billion is not correct. The projection is based on a net non-renewable resource revenue of $2.24 billion or an average of $24.00 per barrel of oil. That figure is entirely unrealistic as it is not likely to be obtained this year or in the distant future," said Mr. Martin.

"The fact that we have a deficit at all is a result of Tory mismanagement. Anybody who thought that the boom would continue indefinitely was shortsighted to say the least. But over and above that fault, the Tories have spent beyond their means and continue to do so.

NEW DEMOCRATS PROPOSALS TO CURB GOVERNMENT SPENDING

"That's why it's imperative that decisions be made to control our rising deficit. Those decisions cannot be made in a vacuum. Across the board cuts are absolutely inappropriate. To make them is to continue with short sighted approaches to our changing economy. To make them turns a blind eye to the needs of Albertans. It ignores the stress and strain on Albertans as they face an uncertain future," continued Mr. Martin.

"The Official Opposition is not prepared to merely criticize as the Government blunders over yet another task. Instead we are advancing proposals to deal with the escalation in government expenditures. We are proposing cuts - but not to services that are essential to the well-being of Albertans. We are proposing a re-alignment of priorities. We are providing insights to the government as to where reductions can be made, and notice that cuts to people services will not be tolerated.

"The Tory Administration is wasteful. It is uninterested and apparently incapable of setting an example of the manner of restraint which they expect others to practice," said Mr. Martin.

"That being the case we will lead them through the cuts that are necessary, particularily as they relate to the administration of government.

NEW DEMOCRAT PROPOSALS TO CURB GOVERNMENT SPENDING

"To begin, we propose an amalgamation of departments which would result in savings in such areas as general administration, communications, printing and travel.

"Although fourth in population size, Alberta rates first in the number of cabinet ministers at 25. The elimination of nine Ministerial Offices would decrease expenditures by $1,868,432.00.

"Education is an invaluable resource. Funding for Universities, Colleges and other adult education institutions cannot be reduced. However, there are areas in the administration of the Department of Advanced Education where cuts can be made. Those cuts represent a savings of over $10 million. Similarly, streamlining the administration of the Department of Education and reviewing priorities will net over $8 million.

"Changes in the administration of the Department of Agriculture and through a reduction of the Beef Cattle and Sheep Production Assistance program could produce savings of over $32 million.

"Funding for the various cultural groups and organizations throughout Alberta is imperative. However, the operating costs of this Department must be reduced. There is we suspect, a duplication of services and an inordinate amount of emphasis on communications. Total savings would amount to nearly $700 thousand.

NEW DEMOCRAT PROPOSALS TO CURB GOVERNMENT SPENDING

Said Mr. Martin, "The Conservative Government has an apparent overwhelming desire to create jobs for its friends. Economic Development supports four of these (London (England), Hong Kong, Los Angeles and Houston (Texas)). This year, plans are, to establish another such position in New York. These expenditures are unnecessary and an insult to the people of Alberta. Their elimination could result in a savings of $863,500.00. Combined with other savings that are attainable within the Department total savings amount to over $11 million.

"Outrageous budgetary increases in administration, communications, services, supplies and salaries can be found in a number of departments. Most noteably Energy, Social Services Environment and Forestry, Lands and Wildlife come to mind. But also the Executive Council must be taken to task.

"Exorbitant increases of 200% over last year are not called for. They are unacceptable and must come to a halt," continued Mr. Martin.

"In health care, immediate steps to implement compulsory seatbelt legislation could save $50 million annually. Other expenses can also be reduced without affecting health care services for Albertans. Through a streamlining of services,

technical efficiency and the provision of multi-use care delivery systems, millions can be saved. Our initial review of the Department of Hospitals and Medical Care, indicates an immediate potential savings of $450 million. A more thorough analysis on health care expenditures will be available at a later date.

"The proposals we are advancing today represent savings of three quarters of a billion dollars.

"They are realistic proposals based on a careful review of departmental expenditures and projected expenditures which fall under the 'administration category' of the budget.

"Over the coming weeks and months we will be advancing additional proposals for cuts. We will be examining and presenting ways to increase our provincial revenues." he continued.

"Our deficit must be dealt with. In doing so, services to Albertans cannot be impaired. The government by living in a dream world has created many of the difficulties we are experiencing today. The dream is over. Living the 'high life' must stop. Cuts at the top must start," concluded Mr. Martin.

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